

From: Grayson Bottom

Sent: Tuesday, September 23, 2014 3:02 PM

To: Gary Cooper; Tammy Kretchmar DeSpain; Donna Yanda; John Alberts; Ken Smith; Michael McEachern; Richard Russell

Subject: Special Meeting Update

Late last week Meredith Meacham Wilson, the point person for RS Meacham our financial advisors, and J.I. came to me with news that the 2013-2014 Budget year was ready to close out except for the two accounts related Fire and Police payouts of unexpected retirements. The situation came to light when preparing the closing adjustments in preparation for our annual audit. We discussed how this action became necessary and alternatives to resolve it. The books must be closed by September 30th of each year as required by State Law.

After our discussions, we determined that the best course of action was to call a special meeting and approve a resolution moving the necessary funds fund the PEST (Public Employee Sales Tax) funds to the General Fund. This transfer will balance the books and allow us to closer the budget year. The payouts were \$663,942.00 for the Fire Department and \$130,125.00 for the Police Department for a total of \$794,067.00. Fortunately we have ample reserves with the Pest Funds to address this circumstance. During the budget year 2013 – 2014 we collected \$1,266,506.61 in the portion dedicated to Police salaries, wages and benefits. During the first three collection periods of this budget year we have collected \$326,405.46. During the same time we collected \$1,036,232.87 in the Fire portion and \$267,059.06 so far this year. The amount for the Police Department was impacted by an Arbitration Award to Buddy Guth of over \$45,000.

The above payouts are part of our Employee Policy Handbook. Essentially, we pay 100% of accrued and unused annual leave and 75% of accrued and unused sick leave. We have two categories of employees. Those with more than 20 years of service and those with less than 20 years. General employees with less than 20 years may carryover up to 400 hours annual leave before you start losing your time. Also, you can carryover 720 hours of sick leave before you are capped out and start losing time. General employees with over 20 years of service may carryover 500 hours but will be compensated for time over 500 hours up to 80 hours paid annually on the first check in July. Anything over 580 hours becomes "use it or lose it" time for which there is no compensation.

Police employees with less than 20 years of service have their annual leave broken up in 5 year increments with time over the maximum allowed for each increment being lost. Police with less than 20 years of service are compensated for sick leave the same as General Employees. Annual Leave for Police employees with more than 20 years of service are the same as General Employees with the same amount of service with no buy back provision for time over 500 hours. Sick Leave for Police employees with less than 20 years of service is the same of General Employees. Police employees with over 20 years of service are the same as General employees except we buy back up to 120 hours because of their 10 hour shifts.

Fire employees with less than 20 years of service may accumulate 16 24 hour shifts of annual leave before they start losing time. Fire employees with less than 20 years of service will be reimbursed for all unused shifts of sick leave over 90 24 hour shifts and is paid at 1 hour for every 3 hours accumulated. Fire employees with over 20 years of service may accumulate 20 24 hour shifts of carryover of annual leave and it is capped at 20 24 hour shifts. Fire employees with over 20 years of service are the same as Fire employees with less than 20 years of service except they are paid 1 hour for every 2 hours accrued.

Moving forward we are going to start preparing a list of employees with over 20 years of service that are older than 55 and budget a 20 or 25% factor of the potential payout to take care of unexpected situations. Further, we will prepare a list of employees with over 30 years of service and older than 55 and visit with them about their retirement plans if any, and budget a somewhat higher factor.

Call me questions.

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